One time package for tea and coffee/sectors

2373. DR. T. SUBBARAMI REDDY:
SHRIMATI JAMANA DEVI BARUPAL:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Union Government has approved one time package for tea industry and also coffee sectors;

(b) whether these two schemes of tea and coffee will be implemented by Tea Board during the remaining period of Tenth Five Year Plan;

(c) whether on coffee package CCEA has approved equal sharing of total interest burden on special coffee term loans during 3 year moratorium period of Rs. 287.1 crore amongst the banks; and

(d) if so, to what extent this decision will help tea and coffee growers?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) to (d) In order to help the tea and coffee growers, the Government has recently approved the two packages for tea and coffee sectors.

Package for tea Sector

The Tea Board would implement the following two schemes during the Tenth Plan period, with an outlay of Rs. 93 crores with the funds to be made available from the special fund created with collections of additional duty of excise on tea.

(i) Grant of subsidy for production of orthodox tea @ Rs.3 per kg for leaf grades and Rs 2 per kg for dust grades for existing levels of production with additional incentive @ Rs. 2 per kg for the incremental volume over the previous year from 1st January 2005 to 31st march 2007 with an outlay of Rs. 65 crores.

(ii) Meeting the actual deficits of the two research and Development Institutions *viz.* Tea Research Association (TRA) at Tocklai (Assam) and United Planters' Association for Southern India- Tea Research Foundation (UPASI-TRF), Tamil Nadu for a period of five years with effect from 2004-05 subject to the maximum of 80% of the expenditure on already agreed items of expenditure, of which 49% would be met from the normal Plan outlay of the Tea Board and the balance from the special fund. The

outlay for this scheme for a period of five years from 2004-05 *i.e* from 2004-05 to 2008-09 would be Rs. 28 crores.

Package for coffee sector

With a view to provide relief to coffee growers, Government has approved a special relief package to revive coffee sector which envisages the following:-

(i) Sharing equally the total interest burden on Special Coffee Term Loan (SCTL) during the three year moratorium period of Rs. 287.10 crores amongst the banks, the Government and the grower loanees to the extent of one third each. The Government Subsidy will be released only after growers had paid their share in full by the end of June 2005.

(ii) To request the banks to lower the interest rates charged on SCTL from the existing 11% to 9% or rate applicable to agriculture sector whichever is lower, during the remaining repayment period of SCTL loans.

(iii) Writing off coffee developmental loans along with interest amounting to around Rs.24 crore, due from the Coffee Board to the Government of India. The Coffee Board will in turn waive the old developmental loans amounting to around Rs.64.59 crore extended by the Board to the coffee growers (below 10 hectares) only.

(iv) Providing the interest subsidy scheme on working capital loans for small growers (below 10 ha) at the rate of 5% and for large growers at rate of 3% for the remaining years of the Tenth Plan. However, this subsidy would be reduced by 1% for a period of 3 years in the case of those growers who receive the benefit of reduced interest burden on SCTL during the moratorium period.

The above packages are expected to improve tea production and reduce the debt burden of coffee growers.

Trade with Bangladesh

2374. SHRI JESUDASU SEELAM:
DR.T. SUBBARAMI REDDY:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state: